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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-042

Stainless Steel Sheet and Strip from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Department) preliminarily determines that imports of stainless steel sheet and strip (stainless sheet and strip) from the People's Republic of China (PRC) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation is July 1, 2015, through December 31, 2015. The estimated dumping margins are shown in the "Preliminary Determination" section of this notice. We invite interested parties to comment on this preliminary determination.

DATE: Effective [INSERT DATE OF PUBLICATION IN THE *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Toni Page at (202) 482-1398 or Lingjun Wang at (202) 482-2316, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

The Department published the notice of initiation of this investigation on March 10, 2016.¹ For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum dated concurrently with and hereby adopted by this notice.² A list of topics included in the Preliminary Decision Memorandum is included as Appendix I. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit located at Room B8024 of the Department's main building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn>. The signed Preliminary Decision Memorandum and electronic version of Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The product covered by this investigation is stainless sheet and strip. For a complete description of the scope of this investigation, *see* Appendix II.

¹ *See Stainless Steel Sheet and Strip From the People's Republic of China: Initiation of Less Than Fair Value Investigation*, 81 FR 12711 (March 10, 2016) (*Initiation Notice*).

² *See* Memorandum from Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled "Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Stainless Steel Sheet and Strip from the People's Republic of China" (Preliminary Decision Memorandum).

Scope Comments

In accordance with the *Preamble* to the Department's regulations,³ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁴ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal response submitted to the record, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Memorandum.⁵ The Department is preliminarily not modifying the scope language as it appeared in the *Initiation Notice*.

Postponement of Deadline for the Preliminary Determination

The Department published the notice of postponement of preliminary determination of this investigation on July 7, 2016.⁶ Pursuant to sections 733(c)(1)(B)(i) and (ii) of the Tariff Act of 1930, as amended (the Act), we postponed the preliminary determination by 50 days. As a result, the deadline for the preliminary determination of this investigation moved to September 9, 2016.

Methodology

The Department is conducting this investigation in accordance with section 731 of the Act. Furthermore, for purposes of this preliminary LTFV determination, the Department continues to treat the PRC as a non-market economy country within the meaning of section 771(18) of the Act. For a full discussion of the Department's methodology, *see* Preliminary Decision Memorandum.

³ *See Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁴ *See Initiation Notice*.

⁵ *See Stainless Steel Sheet and Strip from the People's Republic of China: Preliminary Scope Decision Memorandum* (September 9, 2016) (Preliminary Scope Memorandum).

⁶ *See Stainless Steel Sheet and Strip From the People's Republic of China: Postponement of Preliminary Determination of Antidumping Duty Investigation*, 81 FR 44277 (July 7, 2016).

Preliminary Affirmative Determination of Critical Circumstances

On May 6, 2015, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206, Petitioners timely filed an allegation that critical circumstances exist with respect to imports of stainless sheet and strip from the PRC. We preliminarily determine that critical circumstances exist for the separate rate companies and the PRC-wide entity. For a full description of the methodology and results of our analysis, *see* the Preliminary Decision Memorandum.

Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation.⁷ Policy Bulletin 05.1 describes this practice.⁸

Preliminary Determination

The Department preliminarily determines that the following dumping margins exist:

Exporter	Producer	Margin (%)	Cash Deposit (%)
Taiyuan Ridetaixing Precision Stainless Steel Incorporated Co., Ltd.	Taiyuan Ridetaixing Precision Stainless Steel Incorporated Co., Ltd.	63.86	63.12
Zhangjiagang Pohang Stainless Steel Co., Ltd.	Zhangjiagang Pohang Stainless Steel Co., Ltd.	63.86	63.12
PRC-Wide Entity	PRC-Wide Entity	76.64	75.90

As detailed in the Preliminary Decision Memorandum, Shanxi Taigang Stainless Steel Co., Ltd. and Tianjin Taigang Daming Metal Product Co., Ltd., two mandatory respondents in

⁷ See *Initiation Notice*, 81 FR at 9438-39.

⁸ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," dated April 5, 2005 (Policy Bulletin 05.1), available on the Department's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

this investigation, did not demonstrate that they were entitled to a separate rate. Accordingly, we consider them to be part of the PRC-wide entity.⁹

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of stainless sheet and strip from the PRC as described in Appendix II, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Section 733(e)(2) of the Act provides that given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or (b) the date on which notice of initiation of investigation was published. As described above, we preliminarily find that critical circumstances exist for the separate rate companies and the PRC-wide entity. Therefore, in accordance with section 733(e)(2)(A) of the Act, for the separate rate companies and the PRC-wide entity, the suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after 90 days prior to the date of publication of this notice in the *Federal Register*. The suspension of liquidation will remain in effect until further notice.

We will also instruct CBP, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), to require a cash deposit as follows:¹⁰ (1) the cash deposit rate for the exporter/producer combinations listed in the table above will be the rate identified in the table; (2) for all combinations of PRC exporters/producers of merchandise under consideration that

⁹ See Preliminary Decision Memorandum.

¹⁰ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. The cash deposit rates were adjusted by the countervailing duty attributable to export subsidies.¹¹

Disclosure and Public Comment

We will disclose the calculations performed to interested parties in this proceeding within five days of the date of announcement of this preliminary determination in accordance with 19 CFR 351.224(b). Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the publication of this preliminary determination in the *Federal Register*.¹² Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹³

Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁴ This summary should be limited to five pages total, including footnotes.

Interested parties who wish to request a hearing must do so in writing within 30 days after the publication of this preliminary determination in the *Federal Register*.¹⁵ Requests should contain the party's name, address, and telephone number; the number of participants; and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold

¹¹ See Preliminary Decision Memorandum.

¹² See 19 CFR 351.309 (b)(2)(c)(i).

¹³ See 19 CFR 351.309, *see also* 19 CFR 351.303 (for general filing requirements).

¹⁴ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁵ See 19 CFR 351.310(c).

the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a date, time, and location to be determined. Parties will be notified of the date, time, and location of any hearing.

Parties must file their case and rebuttal briefs, and any requests for a hearing, electronically using ACCESS.¹⁶ Electronically-filed documents must be received successfully in their entirety by 5:00 p.m. Eastern Time on the due dates established above.¹⁷

International Trade Commission Notification

In accordance with section 733(f) of the Act, we are notifying the International Trade Commission (ITC) of our preliminary determination of sales at LTFV. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

This determination is issued and published in accordance with sections 733(f) and 777(i)(I) of the Act and 19 CFR 351.205(c).

Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

__September 9, 2016_____
Date

¹⁶ See 19 CFR 351.303(b)(2)(i).

¹⁷ See 19 CFR 351.303(b)(1).

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

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Appendix II

Scope of the Investigation

The merchandise covered by this investigation is stainless steel sheet and strip, whether in coils or straight lengths. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product with a width that is greater than 9.5 mm and with a thickness of 0.3048 mm and greater but less than 4.75 mm, and that is annealed or otherwise heat treated, and pickled or otherwise descaled. The subject sheet and strip may also be further processed (*e.g.*, cold-rolled, annealed, tempered, polished, aluminized, coated, painted, varnished, trimmed, cut, punched, or slit, etc.) provided that it maintains the specific dimensions of sheet and strip set forth above following such processing. The products described include products regardless of shape, and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges).

For purposes of the width and thickness requirements referenced above: (1) Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above; and (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded.

Subject merchandise includes stainless steel sheet and strip that has been further processed in a third country, including but not limited to cold-rolling, annealing, tempering, polishing, aluminizing, coating, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the stainless steel sheet and strip.

Excluded from the scope of this investigation are the following: (1) sheet and strip that is not annealed or otherwise heat treated and not pickled or otherwise descaled; (2) plate (*i.e.*, flat-rolled stainless steel products of a thickness of 4.75 mm or more); and (3) flat wire (*i.e.*, cold-rolled sections, with a mill edge, rectangular in shape, of a width of not more than 9.5 mm).

The products under investigation are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.13.0081, 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.23.0030, 7219.23.0060, 7219.24.0030, 7219.24.0060, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.32.0045, 7219.32.0060, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038,

7219.33.0042, 7219.33.0044, 7219.33.0045, 7219.33.0070, 7219.33.0080, 7219.34.0005, 7219.34.0020, 7219.34.0025, 7219.34.0030, 7219.34.0035, 7219.34.0050, 7219.35.0005, 7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.35.0050, 7219.90.0010, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015, 7220.20.6060, 7220.20.6080, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

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